

## ***Prudential's Building Management Capability Program***

As many companies have come to realize, rewards and compensation often go hand-in-hand with the recruitment and retention. Prudential came up with a fresh perspective on the concepts of rewards and compensation with its "Building Management Capability" program. Basically, the organization recognized and accepted that "the market, not the company, would ultimately determine the movement of employees" (Cappelli 2000). Prudential began analyzing and making honest assessments about how they were going to keep good employees on board. Based on these realizations, Prudential came up with a few strategies to better their integrative recruiting, retention, and training programs. Previously the company had offered their most valuable employees pay packages weighted heavily toward unvested options or other forms of deferred compensation. The problem with these "golden-handcuffs" was that outside companies would simply and routinely match the compensatory packages with "golden hellos" or signing bonuses to lure the employee away.

Prudential started paying their signing bonuses in stages rather than lump sums, which in the short term, would help keep new employees in their positions. In certain instances, the company would defer signing bonuses until a certain time period had lapsed. Prudential not only used the signing bonus to help attract and keep good employees, they also often tailored rewards to employees. For example, tuition reimbursement may be more desirable to one employee, while a flexible work arrangement would be more appealing to another.

Companies can learn from Prudential, and create a program similar to "Management Capability Program" to attract, retain and grow employees..

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